



A Clear Path to Progress for The Villages at Godley Station: The HOA to POA Transition

Community living in a homeowners' association has always been a tightrope act. Balancing the desires, rights, and interests that bind together homeowners requires a nuanced understanding of the legal frameworks at play, which the HOA must abide by. Recently, The Villages at Godley Station's HOA Board of Directors proposed converting the community from a traditional homeowners' association (HOA) to a property owners association (POA), which could serve as a pivotal transformation for the neighborhood, favoring practicality over red tape and "legalese" when it comes to governance. This article will elaborate on the precise processes involved in The Villages at Godley Station's proposed shift from an HOA to a POA -- an evolution that could represent a defining step forward for the community.

Why Consider a Transition from HOA to POA?

The Georgia Property Owners' Association Act brings with it a host of advantages, particularly for community organizations like The Villages at Godley Station. A POA, as envisioned by the Act, widens the horizons for participation and governance among property owners. Unlike the relatively stringent norms of an HOA, a POA is molded to accommodate the organic evolution of community needs and demands.

The transition empowers members to amend restrictions within their Covenants with a two-thirds majority, thereby ensuring that every member abides by a single, uniformly approved set of community guidelines. This structural change can fortify the sense of collective ownership and unity, ensuring that all stakeholders are equally represented and invested in the community's future.

The POA Act is more flexible and dynamic, thereby allowing for a more fluid, responsive, and personalized approach to community management that veers from the one-size-fits-all mandates of a general Nonprofit Corporations Code, under which HOAs typically operate.

Specific Examples of a POA in Action

For example, a POA can cap rental properties to ensure only a limited percentage of homes in the community can be occupied by renters at any one time. Again, this could be accomplished by a two-thirds vote under the POA. Currently, we are not able to do this. POA's also have an easier time collecting the outstanding balances they are owed for fines, late fees, and unpaid dues.

The establishment of an automatic statutory lien will come into play when a homeowner's account falls into arrears and, essentially, the association's declaration of covenants acts as an alert that an unpaid assessment or additional charge is tied to a property in the form of a lien.

This means that during the process of selling or refinancing a property, closing attorneys, title examiners, potential buyers, or current homeowners typically will reach out to the association to acquire a comprehensive account of any outstanding balances owed. If these costs aren't settled from the profits of the property transaction, the lien remains attached to the property and generally takes precedence in terms of legally ordered payments. This is a significant shift in the association's approach to managing dues and reinforces their position when collecting unpaid fees.

In addition, a POA has the authority to impose penalties on those who breach regulations and can restrict access to communal areas, on the condition that these rights are specified within the governing Covenants. In our standard procedure for amending these documents, the board does plan to include such clauses. Imposed fines are secured by a lien on the offender's property.

Casting the Vision and the Vote

The transition from HOA to POA is a procedural task that starts with a clear declaration of intent by the community's stakeholders and evolves into a series of steps. Here's a breakdown of what this shift would entail for The Villages at Godley Station.

The first call to action for the community is to commence discussions around the prospective shift, which has already begun. This critical dialogue is about informing and rallying the collective sentiment towards a new mode of community governance. The Villages at Godley Station's HOA board of directors intends to keep residents informed every step of the way with an educational campaign launched through a variety of communication channels, including a "frequently asked questions document," forum discussions, meetings, online postings, signboard announcements, email campaigns, and more.

For the next two months, community members will be provided with information and encouraged to educate themselves on the HOA-to-POA conversion process, ask any questions they may have, and conduct their own research into the matter. When they feel they understand the process and implications adequately, residents can then decide whether to support the HOA's conversion to a POA. The voting period is not currently open. First, the board would like to spend the next month making sure all community members are provided with information about the HOA-to-POA conversion, which includes having an in-person meeting in May 2024 to review and discuss the conversion with the community and allow for any questions or concerns to be heard and addressed.

Once the voting period is open, residents will have four options for casting ballots:

- 1) mail the completed ballot to The Villages at Godley Station Homeowners Association, Inc., c/o Sentry Management, Inc. 101 W. Mulberry Blvd, Suite 225, Savannah, GA 31407 to be received on or before June 22, 2024
- 2) email ballots to Sentry Management at sgibbs@sentrymgt.com on or before June 21, 2024
- 3) submit your ballot to a member of the Board of Directors on or before June 22, 2024
- 4) submit ballots on the proposed amendment June 22, 2024, during a meeting at the clubhouse

Please be advised, the Board of Directors reserves the right to shorten the voting period by resolution should the amendment receive the required vote prior to the deadline and the Board deems it in the best interest of the Association.

In order to make participating in the association's decisions easier for everyone and to help all community members understand how their votes will be counted, this is how the process will work:

- If you own a property by yourself and you're at the June 22 meeting where ballots will be accepted or you send in your vote in another way (such as by email or through someone else), you alone get to vote on behalf of your property.
- If the property has multiple owners, such as a married couple who are both on the mortgage or deed, only one vote can be cast for the property. All owners must agree on how to vote. If everyone isn't on the same page and the board is made aware of that fact, the vote for that property won't count. If someone votes for a property and none of the other owners openly object, it counts as if everyone agreed.
- For properties not owned by individuals (like those owned by companies or groups), votes must be cast using a proxy (this is basically a permission slip that lets someone else vote for you). This proxy needs to be signed and dated by the property owner or all the owners if there are several.
- A proxy can be taken back, but only in certain ways, such as by following specific rules in the law (Code Sections 14-2-722 or 14-3-724) or by giving a written notice to the association from the owner or all joint owners.
- Remember, a proxy won't count if it isn't dated or if it says it can be taken back without the required written notice.

Completing the Transition

Should one-third of the community affirm the shift from an HOA to a POA, an amendment to the covenants will then be enacted and the change would take effect as soon as possible. Once amended, the Covenants will reflect the entire gambit of changes — the adoption of the POA and an updated framework for future amendments in accordance with the Georgia Property Owners' Association Act.

After the POA amendment is recorded in the Chatham County land records, Sentry, the community's management company, will issue a notice to make all homeowners aware of the change. The notification will reiterate what the conversion from HOA to POA means to residents. Since a POA is a stronger, more effective entity, it is expected that each homeowner will reap the benefits should the transition go through.